

## Message Text

CONFIDENTIAL

PAGE 01      GEORGE 01482 091245Z  
ACTION ARA-14

INFO OCT-01 ISO-00 SP-02 ICA-11 AID-05 EB-08 NSC-05  
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 L-03 H-01  
PA-01 CIAE-00 COME-00 FRB-03 INR-10 NSAE-00  
XMB-02 OPIC-03 /093 W  
-----050210 091249Z /53

R 091205Z MAY 78  
FM AMEMBASSY GEORGETOWN  
TO SECSTATE WASHDC 6739  
INFO AMEMBASSY KINGSTON  
AMEMBSSY BRIDGETOWN  
AMEMBASSY PORT OF SPAIN  
AMEMBASSY PARAMARIBO

C O N F I D E N T I A L GEORGETOWN 1482

E.O. 11652: GDS  
TAGS: GY, EIND, EINV  
SUBJECT: ALLEGED CORRUPTION IN THE GUYANA NATIONAL COOPERATIVE  
BANK

1. THE GOVERNMENT-OWNED GUYANA NATIONAL COOPERATIVE BANK  
APPEARS TO BE THE THROES OF A SERIOUS FINANCIAL CRISIS.  
ITS ANNUAL MEETING AT WHICH THE REGULAR YEARLY REPORT ON  
THE BANK'S FINANCIAL CONDITION WAS TO HAVE BEEN CIRCULATED  
WAS SUDDENLY POSTPONED FOR A MONTH WITH ONLY TWO DAYS'  
NOTICE. THE NEXT DAY, SATURDAY, APRIL 29, THE MINISTER OF  
FINANCE FRANK HOPE MET WITH THE BANK'S SENIOR STAFF AND  
ANNOUNCED THE SUDDEN RESIGNATION OF THE INSTITUTION'S  
GENERAL MANAGER. FOLLOWING THE MEETING, HOPE "EXPRESSED  
CONFIDENCE THAT THE SENIOR MANAGEMENT OF THE BANK ARE FULLY  
CAPABLE OF CONDUCTING THE AFFAIRS OF THE BANK EFFICIENTLY."  
DESPITE HOPE'S CALMING STATEMENT THE DEPUTY GENERAL  
MANAGER 'RESIGNED' THREE DAYS LATER.

2. SINCE THAT TIME RUMORS HAVE BEEN CIRCULATING WIDELY  
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IN GEORGETOWN THAT THE BANK HAS BEEN INVOLVED OVER THE  
LAST SEVERAL YEARS IN ILLEGAL TRANSFERS ABROAD. STORIES  
CONTEND THAT HIGH OFFICIALS OF THE GOVERNMENT, UP TO  
AND INCLUDING THE CABINET, MAY HAVE PERSONALLY  
BENEFITED FROM SUCH TRANSFERS. IT IS WIDELY REPORTED  
IN GEORGETOWN'S RUMOR MILLS THAT THE GENERAL MANAGER,  
HIS DEPUTY AND CERTAIN OTHER UNNAMED OFFICIALS MAY NOW

BE FORMALLY CHARGED WITH MALFEASANCE. ACCORDING TO OTHER VERSIONS OF THE SAME RUMORS, THE EXTENT OF CORRUPTION IS SUCH THAT THE GOG WILL NOT INDICT THE BANK'S OFFICERS FEARING THAT IN THE FORMAL INVESTIGATION AND TRIAL THAT WOULD FOLLOW MANY HIGHLY PLACED PNC PARTY AND GOVERNMENT OFFICIALS WILL BE IMPLICATED. BECAUSE OF THAT RISK THE GOVERNMENT WILL ATTEMPT TO "PAPER OVER" THE AFFAIR FOR NOW.

3. EMBASSY IS ATTEMPTING TO OBTAIN FURTHER INFORMATION ON THE BANK'S TROUBLES, BUT GIVEN THE PERSONAGES POSSIBLY INVOLVED, HARD FACT WILL OBVIOUSLY NOT BE EASY TO COME BY. IF THE RUMORS ARE TRUE, HOWEVER, THE PUBLIC DISCLOSURE OF SERIOUS IRREGULARITIES AT THE COOPERATIVE BANK COULD SEND IMPORTANT SHOCK WAVES THROUGH THIS ALREADY SHAKY ECONOMY.  
BURKE

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CORRUPTION, FINANCIAL CRISIS, COOPERATIVES, BANKS, ALLEGATIONS, PERSONNEL RESIGNATIONS  
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**Draft Date:** 09 may 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**Status:** NATIVE  
**Subject:** ALLEGED CORRUPTION IN THE GUYANA NATIONAL COOPERATIVE BANK  
**TAGS:** EIND, EINV, GY, GUYANA NATIONAL COOPERATIVE BANK  
**To:** STATE  
**Type:** TE  
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